



# NEWS & VIEWS



**SBA News and Views** is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

## Serving America's Small Businesses

### U.S. Small Business Administration Wisconsin District Office

**Eric Ness, District Director**  
**January 2004**

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SBA Home Page

<http://www.sba.gov>

Wisconsin SBA Home Page

<http://www.sba.gov/wi>

Editor:

[janice.wipijewski@sba.gov](mailto:janice.wipijewski@sba.gov)

### **SBA Reopens 7(a) Loan Program**

#### *Temporary Solution Adopted Until Congress Passes SBA Appropriation*

The U.S. Small Business Administration reopened its 7(a) loan program on Wednesday, January 14<sup>th</sup>, with an additional \$470 million in lending authority, and a loan cap of \$750,000 per loan recipient.

With the SBA's Fiscal Year 2004 appropriation still awaiting approval in the U.S. Senate, the program was suspended because of volume constraints under the Continuing Resolution that runs through the end of January. Since the beginning of the fiscal year on October 1, 2003, SBA funding has come from a series of short-term Continuing Resolutions based on the Fiscal Year 2003 program level.

The SBA will reopen with \$470 Million in lending authority under the Continuing Resolution through January 31. However, if the program's demand remains at the recently high level, this amount may not be adequate to keep the program running through the end of the current Continuing Resolution, January 31<sup>st</sup>. Once SBA receives its full year's appropriation, it expects to be able to keep the program running without interruption, working with Congress to manage the available funding.

"It is critical to our nation's small business community that the 7(a) program is back up and running as quickly as possible," said Hector V.

Barreto, SBA Administrator. "We are reopening the program with the funding that Congress has approved, and the SBA will provide 7(a) loans as long as necessary funding is available. However, it is extremely important that Congress pass an annual appropriation to keep this vital loan program open, without interruption."

### **SBA 50<sup>th</sup> Anniversary Event Invitation**

An invitation to SBA's 50<sup>th</sup> Anniversary Luncheon with SBA Administrator Hector Barreto and SBA Region V Administrator Patrick Rea is **attached to the end of this Newsletter**. Seating is limited and pre-registration is required.

### **New SBA Requirements for Customer Identification Programs Not Currently Covered by Treasury Regulations**

#### **New SBA CIP Requirements Applicable to SBA Lenders Not Covered by Joint Final Rule**

Based on the potential for identity fraud in SBA's loan programs, SBA's Office of Inspector General (OIG) recommended SBA issue an interim directive instructing all SBA lenders to verify the identities of new customers involved with SBA programs. SBA agrees with the OIG's recommendation and, with this Policy, **SBA is requiring those SBA 7(a)**

**and 504 lenders, including Small Business Lending Companies (SBLCs) and Certified Development Companies (CDCs), not covered by the Joint Final Rule to develop and implement a CIP which complies with the requirements of 31 CFR 103.121 on or before June 30, 2004.**

SBA's new CIP requirements are an interim measure. When an SBA lender not covered by the Joint Final Rule becomes subject to a final rule issued by Treasury extending CIP requirements to that lender, the requirements of the Treasury final rule will supersede the requirements of this Notice.

**Purpose of a CIP**

The purpose of a CIP as required by this Policy Notice is to enable the SBA lender to form a reasonable belief that it knows the true identity of the customer who is applying for an SBA 7(a) or 504 loan. The text of the Joint Final Rule (31 CFR 103.121) can be obtained by emailing [janice.wipijewski@sba.gov](mailto:janice.wipijewski@sba.gov). 31 CFR 103.121 sets forth certain minimum requirements for a CIP, which SBA is now requiring all of its 7(a) and 504 lenders to implement.

**SBA OIG Referrals**

SBA lenders are reminded that, as required by SOP 50 50 and 50 51, any suspected irregularity in SBA loan programs must be reported to the SBA Office of Inspector General's Fraud Hotline at 1-800-767-0385. Inconsistencies uncovered during the customer identification and verification process falls within the category of suspected irregularities which must be reported to SBA's OIG.

**Government Lists of Known or Suspected Terrorists or Terrorist Organizations**

With respect to 31 CFR 103.121(b)(4), which requires that a CIP contain procedures for comparing customer

names with government lists of known or suspected terrorists or terrorist organizations, SBA lenders are advised that no lists specifically relating to the CIP regulations have been designated by Treasury as of the date of this Policy Notice. However, SBA lenders are reminded that Treasury's Office of Foreign Assets Control (OFAC) regularly publishes a list of Specially Designated Nationals and Blocked Persons which consists of individuals or entities which are owned or controlled by, or acting for or on behalf of, the Governments of target countries, or are associated with international narcotics trafficking or terrorism. All persons subject to the jurisdiction of the United States (including all SBA lenders) are prohibited from dealing with any individuals or entities on the OFAC list. The OFAC list can be located at <http://www.ustreas.gov/ofac>.

**CDCs Not Required to Duplicate Procedures of Third Party Lenders**

Although SBA is requiring CDCs to implement a CIP that complies with 31 CFR 103.121, CDCs are not expected to duplicate the procedures of the Third Party Lender if the Third Party Lender is regulated by a Federal functional regulator (as defined in 31 CFR 103.120(a)(2)) and submits annual certifications to the CDC that it (the Third Party Lender or its agent) will comply with the CIP requirements of 31 CFR 103.121 with respect to all third-party financings of 504 loans. Under these circumstances, it is acceptable to SBA if a CDC's CIP states that the CDC will rely on the Third Party Lender to verify the identity of the SBA customer. The CDC has the option of performing its own verification of the identity of the SBA customer even if a Third Party Lender has already compiled with 31 CFR 103.121.

**Current SBA Policies and Procedures on Identity Information, Verification and Recordkeeping**

All SBA lenders are advised that in addition to their CIP, they must continue to follow SBA's current policies and procedures with respect to identity information, verification and recordkeeping. Those policies and procedures include, but are not limited to, the appropriate use of the documents listed in Exhibit B.

(Can be obtained by emailing [janice.wipijewski@sba.gov](mailto:janice.wipijewski@sba.gov)).

**Penalties**

Failure to implement a CIP, or failure to follow SBA's existing policies and procedures regarding identity information, verification and recordkeeping, could result in denial of liability or other enforcement actions. Additionally, SBA lenders are reminded that they and/or their SBA borrower/applicants may be subject to civil and/or criminal penalties for false statements made in connection with identity information and verification policies and procedures.

**Supplemental Guidance**

SBA recommends that lenders monitor the website of Treasury's Financial Crimes Enforcement Network (FinCEN) at [www.fincen.gov](http://www.fincen.gov). Supplemental guidance issued by Treasury in connection with the Joint Final Rule will be posted on FinCEN's website.

**Further Regulatory Activity**

SBA lenders are also advised to keep abreast of further USA PATRIOT Act regulatory activity by monitoring the FinCEN website. We note that on May 9, 2003, FinCEN issued a Proposed Rule extending the CIP requirements of 31 CFR 103.121 to "certain banks lacking a federal functional regulator." Additionally, FinCEN has stated that it intends to issue CIP rules applicable to "loan and finance companies" and "persons involved in real estate closings and settlements."

**Calendar of Events**

## ***SBA and Department of Labor Partnership Will Support Entrepreneurship Among People with Disabilities***

SBA Administrator Hector V. Barreto and Labor Secretary Elaine L. Chao signed a Strategic Alliance Memorandum designed to help people with disabilities pursue small business ownership and increase their employment opportunities in small businesses.

“The New Freedom Small Business Initiative” agreement is designed to assist adult workers in acquiring the skills and resources they need to successfully begin and operate a small business and to educate small business owners about hiring people with disabilities. The two departments will cooperate to encourage people with disabilities to pursue small business ownership, provide them with technical assistance, and encourage small businesses to hire people with disabilities. The initiative also is meant to build the capacity of the workforce system to serve people with disabilities and support their entrepreneurship through economic development and coordination of small business activities among federal departments.

Copies of the Initiative are available by accessing [www.dol.gov/odep](http://www.dol.gov/odep) or [www.sba.gov](http://www.sba.gov).

## ***SBA, OMB, GSA and DOD Work Together to Integrate Pro-Net and CCR Database***

The U.S. Small Business Administration, the Department of Defense, the Office of Management and Budget and the General Services

Administration are taking steps to simplify the federal contracting process by creating an integrated database of small businesses that want to do business with the government.

The integration of the existing Pro-Net and DOD’s Central Contractor Registration (CCR) databases will create one portal for entering and searching small business sources and will assist small businesses with marketing their goods and services to the federal government. The integration began on Jan 1<sup>st</sup>.

The CCR-PRO-Net linkage is part of a comprehensive strategic effort to transfer Pro-Net’s functions to the E-Gov Business Partner Network (BPN) in order to simplify government-wide vendor registration. The network is part of the Integrated Acquisition Environment (IAE), one of the e-government initiatives under the President’s Management Agenda. IAE is carrying out OMB’s mandate for new processes to streamline federal acquisition by creating common integrated business processes for buyers and sellers in the federal marketplace. The network incorporates DOD’s CCR database. Registration in CCR is now a requirement for federal contracts. After Dec. 31, CCR will assume all of Pro-Net’s search capabilities and functions and small businesses will no longer need to manually register in both Pro-Net and CCR.

This merger is another step toward the goals to unify common systems and ensure that data need only be entered once and then reused.

Procuring agencies and contracting officers who rely on Pro-Net as the authoritative source for vendors that are certified in SBA’s 8(a) Business Development program, HUBZone Empowerment Contracting Program and Small Disadvantaged Business program will now access this information through CCR. To conduct market research and confirm eligibility for

SBA’s procurement preference programs, users will go to the CCR Web site at [www.ccr.gov](http://www.ccr.gov) and click on the “Dynamic Small Business Search” button. All of the search options and information that existed in Pro-Net will now be found at the CCR Dynamic Small Business Search site.

Within SBA, Pro-Net will be superseded by the Small Business Source System, an internal database of businesses certified by SBA as participants in the 8(a), HUBZone and SDB programs. Businesses will no longer have to self-certify as small businesses. The SBSS system will perform calculations necessary to determine whether companies are small, based on employment or revenue information entered into CCR. Firms will update their records on the CCR Update Web page and should follow the links and directions found there.

For more information about CCR, please visit the CCR Web site at [www.ccr.gov](http://www.ccr.gov). For more information about IAE, visit the Web site at <http://egov.gsa.gov>. For more about SBA e-Gov activities, please contact Ronald E. Miller, SBA Program Executive Officer for E-Gov at (202) 401-8214. In Wisconsin, contact Linda Krysiak, Acting DD for Business Development/Contract Specialist @ (414) 297-1455

## ***Martin Luther King Jr. Day***

January 19, 2004 marks the 75<sup>th</sup> birthday of Dr. Martin Luther King, Jr. As we observe the Holiday in his honor each year, we are reminded to “Remember! Celebrate! Act!” While it is fitting that we commemorate his life, we do justice to the dream of Dr. King when we act to continue his fight for the freedom, equality and dignity of all people.

President George W. Bush recognized the significance of Dr. King’s work

when he stated: "As a visionary leader of the civil rights movement, Dr. King helped to advance human dignity by working peacefully to resolve racial conflict through speeches, marches, and countless nonviolent activities that helped our Nation recognize the importance of upholding fully our founding ideals of equality, tolerance, and justice for all. His devotion to helping others reflected the true spirit of service and citizenship, and his example continues to motivate individuals to serve causes greater than themselves."

Dr. King's philosophy of nonviolent direct action changed American and enlightened the world. His strategies for rational and non-destructive social change reordered our nation's priorities, so that all people truly could have equality of opportunity. Let us continue to "keep the dream alive" in our effort to honor the achievements of Dr. King, by continuing to seek ways to serve and help others.

### **Editor's Notes**

#### **Women's Business Centers Numbers for FY 2003**

The Women's Business Centers of Wisconsin trained **2,422** clients and counseled **1,185** during FY 2003 that ended on September 30, 2003.

#### **SBA Lending Subscription**

A new area for lenders was recently added to SBA's FREE Newsletter and Publication Subscription Center. It will contain Agency approved, time-sensitive information regarding SBA's business loan programs. To access this go to <http://web.sba.gov/list/> and about ¾ of the way down, check the box next to **SBA Business Loan Guaranty** to receive this newsletter.

### **Wisconsin Business Development Training**

Wisconsin lenders have access to a variety of economic development programs to enhance the structure of financing packages. To assist lenders in understanding the types and uses of these tools, Wisconsin Business Development (WBD) is presenting a statewide series of seminars focusing on creative financing solutions. A representative from the U.S. Small Business Administration is scheduled to present at each session.

#### **Locations**

##### **Racine**

**Tuesday, February 17**  
Marriott Hotel  
7111 Washington Avenue

##### **West Bend**

**Wednesday, February 19**  
West Bend Inn  
2520 W. Washington Street

##### **Madison**

**Tuesday, February 24**  
Crowne Plaza  
4402 E. Washington Avenue

##### **Platteville**

**Wednesday, February 25**  
Park Inn Convention Center  
300 West US HWY 151

##### **Green Bay**

**Tuesday, March 2**  
Comfort Suites/Rock Garden  
1951 Bond Street

##### **Oshkosh**

**Wednesday, March 3**  
Hilton Garden Inn  
1355 W. 20<sup>th</sup> Avenue

##### **Manitowoc**

**Thursday, March 4**  
The Courthouse Pub  
Eighth & Washington Streets

##### **Wausau**

**Tuesday, March 9**  
The Plaza Hotel & Suites  
201 N. 17<sup>th</sup> Avenue

##### **Milwaukee**

**Wednesday, March 10**  
Holiday Inn-City Centre  
611 W. Wisconsin Avenue

##### **Waukesha**

**Thursday, March 11**  
Country Inn Hotel  
2810 Golf Road

##### **Hayward**

**Wednesday, March 24**  
Comfort Suites  
15586 Cty. Road B

##### **Eau Claire**

**Thursday, March 25**  
Ramada Inn Convention Center  
205 S. Barstow Street

##### **La Crosse**

**Tuesday, March 30**  
Radisson Hotel  
200 Harborview Plaza

**For registration information, call  
(608) 819-0390**

### **SBA Lenders for December 2003**

**American National Bank-Fox Cities**  
Appleton – 1 Loan for \$416,000

**Anchor Bank SSB**  
Appleton – 1 Loan for \$40,000

**Associated Bank NA**  
Green Bay – 10 Loans for \$743,100

**Bank of Kenosha**  
Kenosha – 1 Loan for \$700,000

**Bank of Sun Prairie**  
Sun Prairie – 1 Loan for \$90,000

**Bank One NA**  
Chicago, IL – 1 Loan for \$293,100



## January 2004

### **Bank One National Assn.**

Columbus, OH – 1 Loan for \$104,000

### **Baylake Bank**

Sturgeon Bay - 2 Loans for \$ 857,000

### **Bremer Bank NA**

Amery – 1 Loan for \$150,000

### **Business Bank of the Fox River Valley**

Appleton – 1 Loan for \$150,000

### **Business Loan Center, LLC**

New York, NY –  
2 Loans for \$1,200,000

### **Capital One Federal Savings Bank**

Falls Church, VA  
7 Loans for \$205,000

### **CIT Small Business Lending Corp.**

Morristown, NJ  
1 Loan for \$865,000

### **Comerica Bank**

Eau Claire – 1 Loan for \$357,000

### **Community Bank & Trust**

Sheboygan – 10 Loans for \$3,133,000

### **Community First CU**

Appleton – 3 Loans for \$189,800

### **Covantage Credit Union**

Antigo – 1 Loan for \$97,000

### **Cuna Credit Union**

Madison – 1 Loan for \$60,000

### **F&M Bank-Wisconsin**

Appleton – 1 Loan for \$390,800

### **First Bank Financial Centre**

Oconomowoc – 1 Loan for \$350,000

### **First Banking Center**

Kenosha – 1 Loan for \$305,625

### **First Citizens State Bank of Whitewater**

Whitewater – 1 Loan for \$2,000,000

### **First National Bank**

Manitowoc – 1 Loan for \$150,000  
Berlin – 1 Loan for \$49,000

**Total: 2 Loans for \$199,000**

### **First National Bank In Manitowoc**

Green Bay – 1 Loan for \$84,000

### **First State Bank**

New London – 1 Loan for \$35,000

### **Great Lakes Asset Corp.**

Green Bay – 1 Loan for \$414,000

### **Greenleaf Wayside Bank**

Greenleaf – 1 Loan for \$215,000

### **Home State Bank**

Litchfield, MN  
1 Loan for \$10,000

### **Hometown Bank**

Saint Cloud – 2 Loans for \$325,000

### **Investors Community Bank**

Manitowoc – 1 Loan for \$248,000

### **M&I Marshall & Ilsley Bank**

Milwaukee – 16 Loans for \$1,598,000

### **Middleton Community Bank**

Middleton – 1 Loan for \$230,000

### **National City Bank of Michigan**

Bannockburn, IL  
1 Loan for \$20,000

### **Oak Bank**

Fitchburg – 1 Loan for \$150,000

### **Ozaukee Bank**

Cedarburg – 1 Loan for \$67,100

### **Park Bank**

La Crosse – 2 Loans for \$490,000  
Holmen – 2 Loans for \$162,496

**Total: 4 Loans for \$652,496**

### **Peoples State Bank**

Mazomanie – 1 Loan for \$35,000

### **S&C Bank**

Eau Claire – 1 Loan for \$147,100

### **Saint Francis Bank FSB**

Milwaukee – 1 Loan for \$225,000

## News and Views

### **State Bank of Chilton**

Chilton – 1 Loan for \$810,000

### **State Bank of Cross Plains**

Madison – 1 Loan for \$85,000

### **Temecula Valley Bank NA**

Temecula, CA – 1 Loan for \$800,000

### **The Park Bank**

Madison – 1 Loan for \$124,500

### **The Riverbank**

Osceola – 1 Loan for \$50,000

### **US Bank NA**

Cincinnati, OH  
9 Loans for \$678,000

### **Waukesha State Bank**

Waukesha – 4 Loans for \$1,102,500

### **Wells Fargo Bank Minnesota NA**

Minneapolis, MN  
5 Loans for \$1,222,800

### **Wells Fargo Bank Wisconsin NA**

Milwaukee – 3 Loans for \$230,000

### **Wells Fargo Bank International**

Minneapolis, MN  
1 Loan for \$70,000

### **Wells Fargo Bank NA**

San Jose, CA – 1 Loan for \$20,000

### **Western Wisconsin**

**Development Corp.**  
Almena – 1 Loan for \$370,000

### **Wisconsin Business Development Finance Corp.**

Monona – 10 Loans for \$5,157,000

### **Wisconsin Community Bank**

Cottage Grove – 1 Loan for \$150,000

## **Microlenders for December 2003**

### **Lincoln Neighborhood**

**Redevelopment Corp. Milwaukee**  
1 Loan for \$16,000

*Monday, March 22, 2004*

## AN INVITATION TO SBA'S 50<sup>TH</sup> ANNIVERSARY LUNCHEON

### SBA'S ECONOMIC GROWTH TOUR *Listening to America's Job Creators*

*The United States Small Business Administration* has been the number one resource for entrepreneurs in the United States for 50 years. Millions of small businesses owe their success to one or more of SBA's counseling, technical assistance, guaranteed financing, procurement or disaster programs.

On March 22, 2004, SBA Administrator Hector V. Barreto and Region V Administrator Patrick E. Rea would like you to join us for an Anniversary Luncheon to celebrate SBA's contribution

to the economic development of Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin.



*This event will be held* at the Lambeau Field Atrium, Legends Club Room, Green Bay, Wisconsin. The luncheon will begin at 11:30 AM. SBA Administrator

Hector V. Barreto will be the featured speaker and will recognize the achievements of small business leaders from across the region.

***There is no charge for this event, but seating is limited and pre-registration is required.*** Please complete the form below and fax to (202) 481-2419 or register on the web at [www.sba.gov/wi](http://www.sba.gov/wi) or [www.sba.gov/region5](http://www.sba.gov/region5). Please RSVP by March 12, 2004. Direct questions to Ms. Mary Trimmier at (414) 297-1093 or email [mary.trimmier@sba.gov](mailto:mary.trimmier@sba.gov).

To register for SBA's Anniversary Luncheon on Monday, March 22, 2004 at 11:30 AM, complete and fax to (202) 481-2419 or reply online at [www.sba.gov/wi/greenbay50event.html](http://www.sba.gov/wi/greenbay50event.html) or [www.sba.gov/region5](http://www.sba.gov/region5)

Name \_\_\_\_\_ Date \_\_\_\_\_

Business Name \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_ E-mail Address \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

Attending Name(s) - (Print clearly for name tag purpose) Confirmation will be received by e-mail

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740 Regent Street, Suite 100, Madison, Wisconsin 53715, 608/441-5263 FAX 608/441-5541  
310 W. Wisconsin Avenue, Room 400, Milwaukee, Wisconsin 53203, 414/297-3941 FAX 414/297-1377